Exhibit 5

Lehman Brothers Holdings, Inc.

Report to Unsecured Creditors Committee

October 8, 2008

BCI Exhibit No.
131 a

LEADERSHIP · PROBLEM SOLVING · VALUE CREATION

ALVAREZ & MARSAL

III. Significant Transactions

A. Sale of Lehman Brothers, Inc. / Broker Dealer to Barclays (Fogarty)

- Assets Purchased
  - $43.1 Billion Repo Assets – Book value per Lehman 'stale' marks; negotiated a $5.0 billion reduction;
  - $1.9 Billion Unencumbered Box;
  - $1.5 Billion Building and Data Centers;
  - $0.8 Billion 15-c-3-3 Securities – any excess will accrue to Lehman Brothers, Inc.
- Liabilities Assumed
  - $38.0 Billion Extinguished Liability to Fed;
  - Assumed Cure Liability;
  - Assumed Severance Liability.
- Cash Consideration of $1.79 Billion

Exhibit 6

Acquisition Balance sheet summary

	Cash $'m	Equity $'m	Total $'m	Source
OBS Compensation accrual	1,700	300	2,000	APA
Payments				
Pre 22/9 payroll items	(12)	-	(12)	Payroll records
Replacement RSUs	(11)	-	(11)	New RSUs granted as replacements for Ex-Lehman employees granted to them in 2008 prior to the acquisition - Barcap value 50% of Lehman face value representing a 50:50 split to the employee of write off and replacement
Bonus including social tax	(1,271)	(258)	(1,529)	TCR 23 Feb 2009
IBD Grad programmes	(11)	-	(11)	Off cycle IBD grad programme payments paid in June 2009
Severance	(238)	-	(238)	RIF & VIG list from HR
	(1,543)	(258)	(1,801)	
Payable in future				
Severance	(27)	-	(27)	RIF and VIG list from HR and includes 25% for benefits for RIF
Payroll tax on Equity compensation	(9)	-	(9)	1.79% of Equity compensation
Acquisition Buyout vesting over 2 years	(53)		(53)	Bonus relating to performance for 1 Jan to 22 Sept 08 but with future time serve criteria and with a portion linked to future production with 2 payments of $20m in equal tranches Feb 10 and Feb 11, and $13m to be delivered effectively in Feb 10
Payroll taxes on Acq buyout	(3)	-	(3)	
	(92)	-	(92)	
Other Items				
ISP awards	-	(56)	(56)	Additional shares awarded @ 25p share to compensate for loss in value of 2008 EPP awarded
Payroll taxes on ISP awards	(2)	-	(2)	
	(2)	(56)	(58)	
Total spend	(1,638)	(313)	(1,951)	
Balance left- Cash basis	62	(13)	49	

EXHIBIT
2816
5/27/09
PENGAD 800-631-6989

BCI-EX-00115843

Highly Confidential

BCI Exhibit No.
142

Exhibit 7

LEHMAN BROTHERS HOLDINGS INC.

BRYAN MARSAL
CHIEF EXECUTIVE OFFICER

February 19, 2009

Rich Ricci
Jonathan Hughes
Barclays Capital Inc.
200 Park Avenue
New York, NY 10166

Dear Rich and Jonathan:

I am writing with respect two matters relating to the sale of Lehman Brothers's U.S. and Canadian investment banking and capital markets business to Barclays Capital as to which we need additional information as soon as possible. I'll outline them briefly below.

I. Bonus Accrual

The contract provides, in essence, that Barclays Capital would be responsible for the payment of the accrued bonus amount as of August 31, 2008 for the U.S./Canadian investment banking/capital markets business, and the agreement referenced a balance sheet provided to Barclays Capital indicating that this amount was $2.0 billion. We have now had a chance to conduct a preliminary review of the accrual for bonuses as of August 31, 2008, and it appears that the consolidated global accrual on the books of LBHI as of that date was only $1.3 billion. Although we are continuing our review, it appears that only approximately 55% of the global accrual relates to employees transferred to Barclays Capital. Accordingly, it appears that the liability assumed by Barclays Capital may be closer to $0.7 billion than the $2.0 billion provided for in the transaction.

Given the scale of the discrepancy between what was referenced in the agreement and the actual accrual on the consolidated books of Holdings for the personnel assumed, reconciliation of this discrepancy is critical prior to the payment by Barclays Capital of any bonuses in excess of $0.7 billion. While Barclays Capital should be essentially indifferent from a financial point of view as to whether it pays this amount as bonus or a reduction in the purchase price for the business, this discrepancy is significant for the LBHI estate.

II. Cure Amounts

The September 16th balance sheet initialed by the parties indicated that $2.25 billion was accrued for potential cure costs in relation to contracts to be assumed and assigned post closing. While uncertainties about this number plainly existed prior to closing, to date we understand that approximately only $0.2 billion has been spent on such cures and that the latest estimate of the amount to be ultimately paid is dramatically less than was expected.

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Again, given the size of the discrepancy between the September 16th number and the actual projected cure liability, it's important to us that we reconcile and understand the differential.

The above two items are clearly material to the debtor estates and we welcome your assistance in ensuring that our understanding of the books and records of the various referenced estates, and of the sales contract, is correct. You may also have supporting documentation or analyses that explain these discrepancies. If that is not possible, however, we reserve our rights to seek judicial relief based on the material differences between the projected and actual liabilities for these categories of expenses.

We are available to meet at your earliest convenience and would hope that you are available to discuss both of these issues within the next several days.

Best regards,

Bryan Marsal

cc: Viktor I. Lewkow (Cleary Gottlieb Steen & Hamilton LLP)
David Leinwand (Cleary Gottlieb Steen & Hamilton LLP)
Duane McLaughlin (Cleary Gottlieb Steen & Hamilton LLP)
Mitchell S. Eitel (Sullivan & Cromwell LLP)
Jay Clayton (Sullivan & Cromwell LLP)

Exhibit 8

Ex. 509

From: Kelly, Martin
Sent: Thu, 18 Sep 2008 23:02:53 GMT
To: richard.krasnow@weil.com
Subject: FW: LBI BS_917_V with adjustment.xls

BCI Exhibit No.
207

Placeholder

Document produced in native format

Lehman Brother Inc.
Balance Sheet as of September 17, 2008
($ in millions)

ASSETS:	08/31/08	09/17/08	Notes	Transaction Adjustments	Balance Sheet Transferred	Balance Sheet Remaining	Purchase Agreement
CASH & CASH EQUIVALENTS	268	412			412	-	700
CASH & SECURITIES SEGR AND ON DEPOSIT	8,550	4,740	Per L. Naumowitz $1.9B customer cash locked up for 15c3; $1.9B Futures customer cash set aside in MMK Mutual funds, $1B of Good Faith Deposits with Exchanges per G/L			4,740	
FINANCIAL INSTR. & OTHER INVENTORY POSITIONS OWNED							
GOVERNMENTS & AGENCIES	30,225	37,214			37,214	-	40,000
TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS	1,158	958			958	-	1,100
MORTGAGES & ASSET-BACKED SEC	6,499	5,972			2,986	2,986	2,700
TOTAL CORPORATE DEBT & OTHER	5,422	4,839			4,839	-	4,900
TOTAL CORPORATE EQUITIES	9,256	6,758			6,758	-	8,800
DERIVATIVES AND OTHER CONTR. AGREEMENTS	2,758	3,566			3,566	-	4,500
TOTAL SECURITIES & OTHER FIN INSTR.OWNED	55,318	59,107	Per H.Zaff Inventory File		56,321	2,986	62,000
COLLATERALIZED SHORT-TERM AGREEMENTS	155,876	30,337	Per A. Abedeen Financing File		30,337	0	10,000
RECEIVABLES	14,383	29,920	Per P.Tennyson Rec from Clearing Organizations of $2.4B; Per H.Zaff GFS File FTD $12.5B; Per J. Potenziano Customer Rec $14.3B			29,920	
OTHER ASSETS	363	317	Per G/L: PPE $76mm; Goodwill $133mm		76	241	
INVESTMENT IN CONS. SUBS	1,924	1,592				1,592	
DUE FROM SUBSIDIARIES							
FTD with LBIE	2,500	8,248				8,248	
FTD with LBHI		874				874	
REVERSE REPO with LBIE	2,061	13,822				13,822	
REVERSE REPO with LBSF	1,603	6,504				6,504	
REVERSE REPO with LCPI	7,985	6,341				6,341	
REVERSE REPO with LBHI	352	424				424	
REVERSE REPO with LB I Group		122				122	
REVERSE REPO with LBF	129	85				85	
STOCK BORROW with LBIE	44,849	12,902				12,902	
STOCK BORROW with LBSF	4,235	4,479				4,479	
STOCK BORROW with LB I Group	179	122				122	
RECEIVABLE with LBHI	-	2,081		1,383		3,464	
RECEIVABLE with LBIE	140	-				-	
Other Receivables <$50mm	1,601	172				172	
	65,634	56,176				57,559	
TOTAL ASSETS	302,316	182,802			87,146	97,039	72,700

Lehman Brother Inc.
Balance Sheet as of September 17, 2008
($ in millions)

LIABILITIES:	08/31/08	09/17/08	Notes	Transaction Adjustments	Balance Sheet Transferred	Balance Sheet Remaining	Purchase Agreement
S.T BORROWINGS & CURRENT PORTION OF L.T. BORROWINGS	308	531	Per Treasury			531	
FIN'L INSTR & OTHER INV POSNS SOLD BUT NOT PURCHASED							
GOVERNMENTS & AGENCIES	35,955	20,024			20,024	-	21,000
TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS						-	
MORTGAGES & ASSET-BACKED SEC	19	24			24	-	
TOTAL CORPORATE DEBT & OTHER	2,170	1,740			1,740	-	2,100
TOTAL CORPORATE EQUITIES	6,264	5,619			5,619	-	6,300
DERIV & OTHER CONTR AGREEMENTS	2,084	1,660			1,660	-	4,500
TOTAL SEC & OTHER FIN.INSTR SOLD NOT PURCH.	46,492	29,067	Per H Ziff Inventory File		29,067	-	33,900
COLLATERLIZED SHORT-TERM FINANCING	107,954	74,602	Per A Abrideen Financing File		55,776	18,826	34,500
PAYABLES							
COMPENSATION PAYABLE	360	520		1,000	1,520	-	
TRADE LIABILITIES	423	400		383	783	-	
OTHER	22,095	16,026	Per 8/31 G/L Pay to Clearing Organizations $0.5B; Per H Ziff GFS File FTD $4.2B; Per J. Potentiano Customer Pay $11B, Per G/L Taxes $0 4B			16,026	4,300
DUE TO SUBSIDIARIES							
FTR with LBIE	290	10,720				10,720	
REPO with LBHI	20,732	-				-	
REPO with LBIE	13,469	16,194				16,194	
REPO with LBSF	1,608	5,032				5,032	
REPO with Bankhaus	1,351	350				350	
REPO with LBF	1,391	1,351				1,351	
REPO with Lehman RE	273	273				273	
REPO with LBB	2,185	-				-	
REPO with LBCB	2,918	-				-	
REPO with LOTC	759	-				-	
STOCK LOAN with LBIE	39,216	9,209				9,209	
STOCK LOAN with LBSF	2,051	2,979				2,979	
STOCK LOAN with LB LUX	30,664	-				-	
PAYABLE with LBIE	-	4,571				4,571	
PAYABLE with LBCC	554	606				606	
PAYABLE with LBSF	100	737				737	
PAYABLE with LBJ	283	444				444	
PAYABLE with LBCB	-	122				122	
PAYABLE with LBHI	707	-				-	
Other Receivables <$50mm	4,895	731				731	
	113,446	53,319			-	53,319	
LONG-TERM DEBT:							
SENIOR NOTES							
SUBORDINATED NOTES	7,043	7,051	Per Treasury $6.5B is intercompany			7,051	
TOTAL LONG-TERM DEBT:	7,043	7,051				7,051	
TOTAL LIABILITIES	298,121	181,516			87,146	95,753	72,700
STOCKHOLDERS EQUITY							
ADDITIONAL PAID IN CAPITAL	3,866	3,866				3,866	
RETAINED EARNINGS	306	(1,045)				(1,045)	
OTHER STOCKHOLDERS EQUITY, NET	23	23				23	
TOTAL STOCKHOLDERS EQUITY	4,195	2,844				2,844	
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	302,316	184,360			87,146	98,597	72,700
Out of Balance	-	(1,558)			-	(1,558)	

Placeholder

Document produced in native format

Exhibit 9

From: "FLORES, DANIEL" <DANIEL.FLORES@LEHMAN.COM>
Sent: 9/19/2008 12:51:43 AM
To: BARRY RIDINGS/IB/LAZARD@LAZARD NYC;DAVID DESCOTEAUX/IB/LAZARD@LAZARD NYC;ARTHUR BRUHMULLER/IB/LAZARD@LAZARD NYC
Subject: FW: LBI BS_917_V with adjustment.xls

Attached is a cut of the balance sheet that stays and is transferred to Barclays.
Please note that this is preliminary and will change so please do not share with anyone yet. I will send you the final version as soon as I get it.

DF

> ______________________________
> From: Wong, Kristie
> Sent: Thursday, September 18, 2008 6:20 PM
> To: Flores, Daniel
> Cc: Kelly, Martin
> Subject: FW: LBI BS_917_V with adjustment.xls
>
>
>
> ______________________________
> From: Hauzenberg, Rose
> Sent: Thursday, September 18, 2008 6:20 PM
> To: Wong, Kristie
> Subject: LBI BS_917_V with adjustment.xls
>
> <<LBI BS_917_V with adjustment.xls>>

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Therefore, we do not represent that this information is complete or accurate
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209

IRS Circular 230 Disclosure:
Please be advised that any discussion of U.S. tax matters contained within this
communication (including any attachments) is not intended or written to be used
and cannot be used for the purpose of (i) avoiding U.S. tax related penalties
or (ii) promoting, marketing or recommending to another party any transaction
or matter addressed herein.
- LBI BS_917_V with adjustment.xls

Attachment: LBI BS_917_V with adjustment.xls

	A	B	C	D	E	F	G	H
1	Lehman Brother Inc.							
2	Balance Sheet as of September 17, 2008							
3	($ in millions)							
4			08/31/08		09/17/08		Notes	
5	ASSETS:							
6								
7		CASH & CASH EQUIVALENTS	268		412			
8		CASH & SECURITIES SEGR. AND ON DEPOSIT	8,550		4,740		Per L. Nazimowitz $1.9B customer cash locked up for 15c3; $1.9B Futures customer cash set aside in MMK Mutual funds; $1B of Good Faith Deposits with Exchanges per G/L.	
9								
10		FINANCIAL INSTR. & OTHER INVENTORY POSITIONS OWNED						
11		GOVERNMENTS & AGENCIES	30,225		37,214			
12		TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS	1,158		958			
13		MORTGAGES & ASSET-BACKED SEC	6,499		5,972			
14		TOTAL CORPORATE DEBT & OTHER	5,422		4,839			
15		TOTAL CORPORATE EQUITIES	9,256		6,758			
16		DERIVATIVES AND OTHER CONTR. AGREEMENTS	2,758		3,566			
17		TOTAL SECURITIES & OTHER FIN INSTR.OWNED	55,318		59,307		Per H.Zili Inventory File	
18								
19		COLLATERALIZED SHORT-TERM AGREEMENTS	155,876		30,337		Per A. Abedeen Financing File	
20		RECEIVABLES	14,383		29,920		Per P.Tennyson Rec from Clearing Organizations of $2.4B; Per H.Zili GFS File FTD $12.5B; Per J. Potenciano Customer Rec $14.3B	
21		OTHER ASSETS	363		317		Per G/L: PPE $76mm; Goodwill $133mm	
22		INVESTMENT IN CONS. SUBS	1,924		1,592			
23		DUE FROM SUBSIDIARIES						
24		FTD with LBIE	2,500		8,248			
25		FTD with LBHI			874			
26		REVERSE REPO with LBIE	2,061		13,822			
27		REVERSE REPO with LBSF	1,603		6,504			
28		REVERSE REPO with LCPI	7,985		6,341			
29		REVERSE REPO with LBHI	352		424			
30		REVERSE REPO with LB I Group			122			
31		REVERSE REPO with LBF	129		85			
32		STOCK BORROW with LBIE	44,849		12,902			
33		STOCK BORROW with LBSF	4,235		4,479			
34		STOCK BORROW with LB I Group	179		122			
35		RECEIVABLE with LBHI	-		2,081			
36		RECEIVABLE with LBIE	140		-			
37		Other Receibales <$50mm	1,601		172			
38			65,634		56,176			
39								
40								
41		TOTAL ASSETS	302,316		182,802			
42								
43	LIABILITIES:							
44								
45		S.T. BORROWINGS & CURRENT PORTION OF L.T. BORROWINGS	308		531		Per Treasury	
46								
47		FINL INSTR & OTHER INV POSNS SOLD BUT NOT PURCHASED						

	I	J	K	L	M	N	O
1							
2							
3			Balance Sheet		Balance Sheet		Purchase
4	Transaction Adjustments		Transferred		Remaining		Agreement
5							
6							
7			412		-		700
8					4,740		
9							
10							
11			37,214		-		40,000
12			958		-		1,100
13			2,986		2,986		2,700
14			4,839		-		4,900
15			6,758		-		8,800
16			3,566		-		4,500
17			56,321		2,986		62,000
18							
19			30,337		0		10,000
20					29,920		
21			76		241		
22					1,592		
23							
24					6,248		
25					874		
26					13,822		
27					6,504		
28					6,341		
29					424		
30					122		
31					85		
32					12,902		
33					4,479		
34					122		
35	1,383				3,464		
36					-		
37					172		
38					57,559		
39							
40							
41			87,146		97,039		72,700
42							
43							
44							
45					531		
46							
47							

	A	B	C	D	E	F	G	H
48		GOVERNMENTS & AGENCIES	35,955		20,024			
49		TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS						
50		MORTGAGES & ASSET-BACKED SEC	19		24			
51		TOTAL CORPORATE DEBT & OTHER	2,170		1,740			
52		TOTAL CORPORATE EQUITIES	6,264		5,619			
53		DERIV & OTHER CONTR AGREEMENTS	2,084		1,660			
54		TOTAL SEC.& OTHER FIN.INSTR.SOLD NOT PURCH.	46,492		29,067		Per H.Ziff Inventory File	
55								
56		COLLATERLIZED SHORT-TERM FINANCING	107,954		74,602		Per A. Abedeen Financing File	
57		PAYABLES						
58		COMPENSATION PAYABLE	360		520			
59		TRADE LIABILITIES	423		400			
60		OTHER	22,095		16,026		Per 9/31 G/L Pay to Clearing Organizations $0.5B; Per H.Ziff OFS File FTD $4.2B; Per J. Porenziano Customer Pay $11B; Per G/L Taxes $0.4B	
61		DUE TO SUBSIDIARIES						
62		FTR with LBIE	290		10,720			
63		REPO with LBHI	20,732		-			
64		REPO with LBIE	13,469		16,194			
65		REPO with LBSF	1,608		5,032			
66		REPO with Bankhaus	1,351		350			
67		REPO with LBF	1,391		1,351			
68		REPO with Lehman RE	273		273			
69		REPO with LBB	2,185		-			
70		REPO with LBCB	2,918		-			
71		REPO with LOTC	759		-			
72		STOCK LOAN with LBIE	39,216		9,209			
73		STOCK LOAN with LBSF	2,051		2,979			
74		STOCK LOAN with LB LUX	20,664		-			
75		PAYABLE with LBIE	-		4,571			
76		PAYABLE with LBCC	554		606			
77		PAYABLE with LBSF	100		737			
78		PAYABLE with LBJ	283		444			
79		PAYABLE with LBCB	-		122			
80		PAYABLE with LBHI	707		-			
81		Other Receibales <$50mm	4,895		731			
82			113,446		53,319			
83								
84		LONG-TERM DEBT						
85		SENIOR NOTES						
86		SUBORDINATED NOTES	7,043		7,051		Per Treasury $6.5B is intercompany	
87		TOTAL LONG-TERM DEBT	7,043		7,051			
88								
89		TOTAL LIABILITIES	298,121		181,516			
90								
91	STOCKHOLDERS EQUITY							
92		ADDITIONAL PAID IN CAPITAL	3,866		3,866			
93		RETAINED EARNINGS	306		(1,045)			
94		OTHER STOCKHOLDERS EQUITY, NET	23		23			
95		TOTAL STOCKHOLDERS EQUITY	4,195		2,844			
96								
97		TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	302,316		184,360			

	I	J	K	L	M	N	O
48			20,024		-		21,000
49					-		
50			24		-		
51			1,740		-		2,100
52			5,619		-		6,300
53			1,660		-		4,500
54			29,067		-		33,900
55							
56			55,776		18,826		34,500
57							
58	1,000		1,520		-		
59	383		783		-		
60					16,026		4,300
61							
62					10,720		
63					-		
64					16,194		
65					5,032		
66					350		
67					1,351		
68					273		
69					-		
70					-		
71					-		
72					9,209		
73					2,979		
74					-		
75					4,571		
76					606		
77					737		
78					441		
79					122		
80					-		
81					731		
82			-		53,319		
83							
84							
85							
86					7,051		
87					7,051		
88							
89			87,146		95,753		72,700
90							
91							
92					3,866		
93					(1,045)		
94					23		
95					2,844		
96							
97			87,146		98,597		72,700

	A	B	C	D	E	F	G	H
98								
99		Out of Balance	-		(1,558)			

	I	J	K	L	M	N	O
98							
99					(1,558)		

Exhibit 10

Exhibit
501 B
KK 1-15-10

From: Kelly, Martin
Sent: Fri, 19 Sep 2008 05:12:20 GMT
To: Wong, Kristie
Subject: FW: Consolidating Balance Sheet

The guy below has a bad email address for you - also pelase copy this version back into the drive

---

From: Kelly, Martin
Sent: Friday, September 19, 2008 1:12 AM
To: 'Coles, David J.'; kristy.wong@lehman.com
Cc: Suckow, John K.; Fogarty, James P.
Subject: RE: Consolidating Balance Sheet

David - please see latest draft attached

From: Coles, David J. [mailto:DColes@alvarezandmarsal.com]
Sent: Thursday, September 18, 2008 9:57 PM
To: kristy.wong@lehman.com
Cc: Suckow, John K.; Fogarty, James P.; Kelly, Martin
Subject: Consolidating Balance Sheet

Kristy:

Some colleagues and I met with Martin Kelly on Tuesday and discussed the consolidated balance sheet and the likely post-Bar Cap sale BS. Martin suggested we could get some information from you. Do you have a current consolidating BS file by entity that you could send or grant us access to. If you have some time to meet tomorrow that would also be very much appreciated.

Thanks,

David

BCI Exhibit No.
212

David J. Coles

Alvarez & Marsal North America, LLC.

600 Lexington Avenue

New York, NY 10021

(917) 402-2456 C

(631) 614-4342 EFax

(212) 759-4433 Office

Lehman Brother Inc.
Balance Sheet as of September 17, 2008
($ in millions)

	08/31/08	09/17/08	Notes	Transaction Adjustments	Balance Sheet Transferred	Balance Sheet Remaining	Purchase Agreement
ASSETS:							
CASH & CASH EQUIVALENTS	268	412			412	-	700
CASH & SECURITIES SEGR. AND ON DEPOSIT	8,550	4,740	Per L. Nazimowitz $1.9B customer cash locked up for 15c3, $1.9B Futures customer cash set aside in MMK Mutual funds, $1B of Good Faith Deposits with Exchanges per G/L.			4,740	
FINANCIAL INSTR. & OTHER INVENTORY POSITIONS OWNED							
GOVERNMENTS & AGENCIES	30,225	37,214			37,214	-	40,000
TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS	1,158	958			958	-	1,100
MORTGAGES & ASSET-BACKED SEC	6,499	5,972			2,986	2,986	2,700
TOTAL CORPORATE DEBT & OTHER	5,422	4,839			4,839	-	4,900
TOTAL CORPORATE EQUITIES	9,256	6,758			6,758	-	8,800
DERIVATIVES AND OTHER CONTR. AGREEMENTS	2,758	3,566			3,566	-	4,500
TOTAL SECURITIES & OTHER FIN INSTR.OWNED	55,318	59,307	Per H Ziff Inventory File		56,321	2,986	62,000
COLLATERALIZED SHORT-TERM AGREEMENTS	155,876	30,337	Per A. Abedeen Financing File		30,337	0	10,000
RECEIVABLES	14,383	29,920	Per P. Tennyson Rec from Clearing Organizations of $2.4B; Per H Ziff GFS File FTD $12.5B; Per J. Potenziano Customer Rec $14.3B			29,920	
OTHER ASSETS	363	317	Per G/L PPE $76mm, Goodwill $133mm		76	241	
INVESTMENT IN CONS. SUBS	1,924	1,592				1,592	
DUE FROM SUBSIDIARIES							
FTD with LBIE	2,500	8,248				8,248	
FTD with LBHI		874				874	
REVERSE REPO with LBIE	2,061	13,822				13,822	
REVERSE REPO with LBSF	1,603	6,504				6,504	
REVERSE REPO with LCPI	7,985	6,341				6,341	
REVERSE REPO with LBHI	352	424				424	
REVERSE REPO with LB I Group		122				122	
REVERSE REPO with LBF	139	85				85	
STOCK BORROW with LBIE	44,849	12,902				12,902	
STOCK BORROW with LBSF	4,235	4,479				4,479	
STOCK BORROW with LB I Group	179	122				122	
RECEIVABLE with LBHI	-	2,081		3,645		5,726	
RECEIVABLE with LBIE	140	-				-	
Other Receivables <$50mm	1,601	172				172	
	65,634	56,176				59,821	
TOTAL ASSETS	302,316	182,802			87,146	99,301	72,700

Lehman Brother Inc.
Balance Sheet as of September 17, 2008
($ in millions)

	08/31/08	09/17/08	Notes	Transaction Adjustments	Balance Sheet Transferred	Balance Sheet Remaining	Purchase Agreement
LIABILITIES:							
S.T. BORROWINGS & CURRENT PORTION OF L.T. BORROWINGS	508	531	Per Treasury			531	:
FINL INSTR & OTHER INV POSNS SOLD BUT NOT PURCHASED							
GOVERNMENTS & AGENCIES	35,955	20,024			20,024	-	21,000
TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS						-	
MORTGAGES & ASSET-BACKED SEC	19	24			24	-	
TOTAL CORPORATE DEBT & OTHER	2,170	1,740			1,740	-	2,100
TOTAL CORPORATE EQUITIES	6,264	5,619			5,619	-	6,300
DERIV & OTHER CONTR AGREEMENTS	2,084	1,660			1,660	-	4,500
TOTAL SEC.& OTHER FIN.INSTR SOLD NOT PURCH.	46,492	29,067	Per H Ziff Inventory File		29,067	-	33,900
COLLATERLIZED SHORT-TERM FINANCING	107,954	74,602	Per A. Aberdeen Financing File		53,829	20,773	34,500
PAYABLES							
Bonus payable	-	-		2,000	2,000	-	
Cure payments/accounts payable	701	605		1,645	2,250	-	
		-			0	-	
OTHER	22,455	16,341	Per 8/31 G/L Pay to Clearing Organizations $0.5B; Per H Ziff GFS File FTD $4.2B, Per J. Potenciano Customer Pay $11B, Per G/L Taxes $0.4B		0	16,341	4,300
DUE TO SUBSIDIARIES							
FTR with LBIE	290	10,720				10,720	
REPO with LBHI	20,732	-				-	
REPO with LBIE	13,469	16,194				16,194	
REPO with LBSF	1,608	5,032				5,032	
REPO with Bankhaus	1,351	350				350	
REPO with LBF	1,391	1,351				1,351	
REPO with Lehman RE	273	273				273	
REPO with LBB	2,185	-				-	
REPO with LBCB	2,918	-				-	
REPO with LOTC	759	-				-	
STOCK LOAN with LBIE	39,216	9,209				9,209	
STOCK LOAN with LBSF	2,051	2,979				2,979	
STOCK LOAN with LB LUX	20,664	-				-	
PAYABLE with LBIE	-	4,571				4,571	
PAYABLE with LBCC	554	606				606	
PAYABLE with LBSF	100	737				737	
PAYABLE with LBJ	283	444				444	
PAYABLE with LBCB	-	122				122	
PAYABLE with LBHI	707	-				-	
Other Receivables <$50mm	4,895	731				731	
	113,446	53,319			-	53,319	
LONG-TERM DEBT.							
SENIOR NOTES							
SUBORDINATED NOTES	7,043	7,051	Per Treasury $6.5B is intercompany			7,051	
TOTAL LONG-TERM DEBT:	7,043	7,051				7,051	
TOTAL LIABILITIES	298,121	181,516			87,146	98,015	72,700
STOCKHOLDERS EQUITY							
ADDITIONAL PAID IN CAPITAL	3,866	3,866				3,866	
RETAINED EARNINGS	306	(1,045)				(1,045)	
OTHER STOCKHOLDERS EQUITY, NET	23	23				23	
TOTAL STOCKHOLDERS EQUITY	4,195	2,844				2,844	
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	302,316	184,360			87,146	100,859	72,700
Out of Balance	-	(1,558)			-	(1,558)	

Exhibit 11

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
Case Nos. 08-13555(JMP); 08-01420(JMP)(SIPA)

- -x

In the Matter of:

LEHMAN BROTHERS HOLDINGS INC., et al.

Debtors.

- -x

In the Matter of:

LEHMAN BROTHERS INC.

Debtor.

- -x

United States Bankruptcy Court
One Bowling Green
New York, New York

May 3, 2010

B E F O R E:
HON. JAMES M. PECK
U.S. BANKRUPTCY JUDGE

substantially and the value of Lehman's assets was going down substantially affect at all the need to have Lehman identify additional specific assets that could help Barclays become assured that it would be getting the assets that it needed to feel comfortable to do the deal?

A. Absolutely, yes. There was considerable concern on the point of Barclays at that point. We had, as I say, sent forty-five billion dollars to Lehman Brothers at a time when all of those assets available to be conveyed in the transaction appeared to be dwindling, both in size and in value. The effort therefore, to identify at that point in time what the value of the purchased assets could be, was crucial.

Q. And as you understood it, on September 19, did Barclays have the right to walk away from the deal, particularly in light of the fact that Lehman was unable to deliver what it had promised in the APA?

A. Absolutely, yes, that was clearly in Barclays' mind at that point in time, and I think it was right, we did have the right to walk away.

Q. And according to your understanding, would Barclays, in fact, have walked away if assets had not been identified that gave it reasonable assurance that it would receive the assets that it felt it needed to be comfortable in closing the deal?

A. Yes, I believe that would've happened.

Q. And I think you've identified two of those assets as being

what you refer to as the clearance box assets and the 15(c)(3) assets, correct?

A. Correct.

Q. And did Lehman represent to Barclays what the clearance box assets were, in Lehman's view, worth approximately?

A. Yes. When the topic first was raised, Lehman suggested they were worth in the region of 1.9 billion dollars.

Q. Now, let me turn to the 15(c)(3) assets for a moment. Did what Lehman represented those assets to be worth change over the course of the day or 36 hours that those assets were being discussed?

A. I'm not sure that the total value of the assets changed or the estimation of that value changed. There was a change in the amount of those assets that were agreed to be conveyed.

Q. Originally, what was the amount of those 15(c)(3) assets that Lehman was agreeing to convey to Barclays?

A. Initially, the suggestion was, that the words approximately 1.7 billion dollars' worth of value that Lehman could convey from their reserve account or the 15(c)(3) account.

Q. And did that get reduced later on?

A. Yes. Ultimately it was agreed to be 769 million dollars.

Q. And the 769 million dollars from the 15(c)(3) accounts and the 1.9 billion dollars from the clearance box asset account, total approximately 2.7 billion dollars, correct?

A. I think it's slightly less than that, but approximately, yes.

Q. Now, if Lehman Brothers on September 19th or 20th had said, we're not going to convey to you the clearance box assets and the 15(c)(3) assets. According to your understanding, would Barclays have been prepared to close?

A. My understanding is that we would not have closed if that had been so. You know, not only was it not said, but it was also inconsistent with the deal that we'd agreed to that point, namely that all of the assets in the business would be conveyed with the business. As I've said, the idea was to maintain as much of an operational business as we could.

Q. You're aware in this proceeding that the Movants, or at least some of them at least, perhaps all, are taking the position that Barclays is not entitled to the 1.9 billion dollars, and is not entitled to receive the 769 million dollars; is that correct?

A. That seems to be what they're suggesting, yes.

Q. Now, if Lehman had said that at the time that the deal was being considered on September 19th, 2008, would Barclays have been prepared to go ahead with the deal?

A. I don't think so, no.

Q. There was a clarification letter that was drafted, correct?

A. Correct.

Q. And that clarification letter began to be drafted almost immediately after the APA was signed on September 16th, correct?

A. That is correct, yes.

Q. And why is that?

A. I think it reflected two things. One, that there were aspects of the APA that upon signature were known among the parties to be the subject of ongoing discussion; and indeed it became apparent very quickly indeed that there were aspects of the APA which needed to be refined. The document, in common with most documents drafted at that point in time, was drafted probably more hastily than people would have liked, and so there was both a need to reflect ongoing discussions, but also to tidy up, so to speak, some aspects of the APA, which perhaps we all preferred to express more accurately.

Q. Did the clarification letter preserve what you have described as the basic structure of the deal, which is that all of the assets of Lehman used primarily in the acquired business would be acquired by Barclays unless they were specifically excluded?

A. Certainly the clarification letter didn't change the deal at all in my view, certainly not in that respect. It did change certain details of the transaction and tried its best to make those more clear than they had been earlier in the week.

Q. And two of those, I don't mean to suggest that this is in

Exhibit 12

Unknown

Sent: Sunday, May 24, 2009 6:04 PM

From: Parker, Paul <pparker@lehman.com>
Sent: Friday, September 19, 2008 1:16 AM (GMT)
To: Sullivan, Tim [IBD] <tisulliv@lehman.com>
Subject: RE: Updates for Skip - Skip PLEASE READ

Btw. skip said okay to the 1.7 from 1.5 for shapiro. also told him that wasn't enough. So when you add watson, can you pls update that one. Want to get george to help me with it tomorrow am.

-----Original Message-----
From: Sullivan, Tim [IBD]
Sent: Thursday, September 18, 2008 9:12 PM
To: Parker, Paul
Subject: RE: Updates for Skip - Skip PLEASE READ

i don't know but it makes me weep inside...

-----Original Message-----
From: Parker, Paul
Sent: Thursday, September 18, 2008 9:12 PM
To: Sullivan, Tim [IBD]
Subject: RE: Updates for Skip - Skip PLEASE READ

What works for the skipper will make it work..and didn't notice...why did JW not include u??

-----Original Message-----
From: Sullivan, Tim [IBD]
Sent: Thursday, September 18, 2008 8:55 PM
To: Parker, Paul
Subject: RE: Updates for Skip - Skip PLEASE READ

love being looped back into email chains...

what time would you like me to set for?

-----Original Message-----
From: Parker, Paul
Sent: Thursday, September 18, 2008 8:54 PM
To: Sullivan, Tim [IBD]
Subject: FW: Updates for Skip - Skip PLEASE READ

We need a call - can you pls help org (may help you stay as the mini-me...)

-----Original Message-----
From: Parker, Paul
Sent: Thursday, September 18, 2008 8:53 PM
To: Parker, Paul; Weiss, Jeffrey L; Wieseneck, Larry; Stephenson, Ros; Gatto, Joseph D
Cc: McGee III, Hugh E
Subject: RE: Updates for Skip - Skip PLEASE READ

We should regroup tomorrow morning.

PENGAD 800-631-6989 EXHIBIT 108 8/10/09

7/15/2009

BCI Exhibit No. 579

10269417

-----Original Message-----
From: Parker, Paul
Sent: Thursday, September 18, 2008 8:16 PM
To: Weiss, Jeffrey L; Wieseneck, Larry; Stephenson, Ros; Gatto, Joseph D
Cc: McGee III, Hugh E
Subject: RE: Updates for Skip - Skip PLEASE READ

Agree equally - moreso for how we hold the franchise together come March 1. Am hearing right and left folks will use 08-only as a free option given it is mostly cash and they will use the time to look for another deal. We will be forced at that point to do an 09 and 10 or lose them. If we show love and do 09 now, in some cases even at some floored discount, we calm down the most senior guys and take away the incentive to shop. They view the retention as a discount to 09 if there is no 09 made clear today.

-----Original Message-----
From: Weiss, Jeffrey L
Sent: Thursday, September 18, 2008 8:02 PM
To: Wieseneck, Larry; Stephenson, Ros; Gatto, Joseph D; Parker, Paul
Cc: McGee III, Hugh E
Subject: Re: Updates for Skip - Skip PLEASE READ

I agree with Larry. Personally, how he expresses 09 is how I feel. Its not hard for anyone of quality to get some love. My understanding is the Barc routinely gives 2 years as does everyone and that they've given leh employees 3 year commitments in the past.

I certainly would like to know the org structure.

----- Original Message -----
From: Wieseneck, Larry
To: Sullivan, Tim [IBD]; Stephenson, Ros; Gatto, Joseph D; Weiss, Jeffrey L; Parker, Paul
Cc: McGee III, Hugh E
Sent: Thu Sep 18 18:47:38 2008
Subject: RE: Updates for Skip - Skip PLEASE READ

Most current thoughts

1) We now have problems with our better SVPs in GF

Group Heads with bids away are calling to GF and offering them chance to go with them to other firms fro guarantees for '08 and '09

Now guys we were not planning to guarantee need to be settled down across the floor and I presume across upstairs also.

2) I understand we are now showing flat guarantees upstairs to some group heads. Where is that money going to come from? Can't get it from the lesser paid types since it is too far away from down 25% for the pools to work. So far I have avoided going above down 25% but as the rumor mill flys around guys who are in the boat will get out.

3) All think the retention is light and everyone asking for '09 guarantees

Basically, the fear is spreading that BARC bought us for nothing and now don't even want to put up the right $ to pay people. This is the wrong way for them to start if they want to make money on this asset.

Finally, I am getting a lot of concern that we have not faced off yet with BARC on roles. People want to know for certain what the org chart looks like. at least relative to you and Bart. The announcement of Rich Ritchie as CEO of the Lehman Transition entity has created lots of concern.

Clarity, more $ and '09 guarantees will allow us to land the plane

From: Sullivan, Tim [IBD]
Sent: Thursday, September 18, 2008 2:20 PM
To: Stephenson, Ros; Gatto, Joseph D; Wieseneck, Larry; Weiss, Jeffrey L; Parker, Paul
Cc: McGee III, Hugh E
Subject: Updates for Skip

Just got off the phone w/Skip -- he wants to know if there are any major developments he needs to be aware of in terms of how conversations have been going. Is there anyone he needs to reach out to?

Tim Sullivan
Investment Banking Division
Lehman Brothers
Office: 212.526.5731
Mobile: 917.270.1577
Fax: 646.834.0338
tisulliv@lehman.com

Exhibit 13

BCI Exhibit No.
862

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
LEHMAN BROTHERS HOLDINGS INC., *et al.*,	:	Case No. 08-13555 (JMP)
Debtors.	:	(Jointly Administered)

DECLARATION OF RAJESH ANKALKOTI IN SUPPORT OF DEBTOR'S MOTION FOR AN ORDER, PURSUANT TO FED. R. BANKR. P. 2004, AUTHORIZING DISCOVERY FROM BARCLAYS CAPITAL, INC.

I, RAJESH ANKALKOTI, declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the following is true and correct:

1. I am a Senior Director in the Dispute Analysis and Forensic Services group of the firm of Alvarez & Marsal. I am a Chartered Accountant and hold an M.B.A. from Columbia Business School. I have worked in the field of forensic accounting and analysis for about 13 years. I submit this declaration in support of the Rule 2004 motion filed by Lehman Brothers Holdings Inc. ("LBHI") seeking discovery from Barclays Capital, Inc. ("Barclays") in the above-captioned proceeding. I make this declaration based on my personal knowledge, except where noted otherwise.

2. Alvarez & Marsal was retained by the Estate of LBHI and related entities to provide restructuring and other services. Our duties include providing forensic analysis and advice with respect to various aspects of the Debtors' businesses and issues relating to potential claims to recover assets for the Estate.

3. Among the issues that Alvarez & Marsal is examining are (i) the compensation payments made by Barclays to former Lehman employees who went to work for Barclays (the "Transferred Employees"); (ii) Barclays' assumption of LBHI's compensation-related liabilities upon the September 22, 2008 closing of the sale transaction whereby substantially all of Lehman's North American broker-dealer assets (and certain real estate and other assets) were sold to Barclays (the "Sale Transaction"); and (iii) negotiations between the parties on these issues. In that regard, we have assembled and reviewed (and continue to search for) the limited set of documents within LBHI's control relating to these questions, and we have attempted to interview the few remaining Lehman employees still working for the Estate with any knowledge about these and related issues. The amount of information available to LBHI in this regard, however, is necessarily limited.

4. Thus, as a preliminary matter, I disagree with Barclays' contention in its objection to LBHI's Rule 2004 motion that LBHI "has access to more than enough information 'to reconstruct' what happened" (Opp. Br. ¶ 19) with respect to the above-mentioned compensation issues. LBHI does not have enough information, either in its own files or in the Iron Mountain facility (that I am aware of), to fully reconstruct what happened in connection with negotiating, documenting or implementing compensation issues relating to the Sale Transaction. On information and belief, this is because (i) virtually all the Lehman executives involved in the negotiations with Barclays and/or in deriving the $2.0 billion figure for potential compensation liabilities in the schedule referred to in the September 18, 2008 Asset Purchase Agreement ("APA") transferred to and/or now work for Barclays and therefore are not available for interview by LBHI; (ii)

documents concerning what Barclays ultimately paid the Transferred Employees have always been within Barclays' exclusive control; (iii) most of the documents concerning offers made to certain select employees and negotiations concerning their expected future employment with Barclays appear to have been retained by them and/or Barclays and do not reside on LBHI's computers or in its files.

5. I also disagree with Barclays' contention in opposing LBHI's Rule 2004 motion that "aggregate compensation data" is sufficient to address LBHI's questions about compensation of all Transferred Employees. (Opp. Br. ¶ 33) While aggregate information about compensation may be helpful, it will not answer all of LBHI's queries in this regard. In particular, aggregate information will not allow us to analyze whether select individuals received a disproportionate share of the total compensation paid by Barclays or to reconstruct how the aggregate pool of compensation funds expended by Barclays for former Lehman employees was distributed. Aggregate information also will not allow us to analyze so-called "Special Cash" bonuses apparently paid to certain former Lehman employees, as noted below. In the end, to allow us to properly do our job, LBHI requires the information sought in its motion.

6. In connection with our investigation of these compensation-related issues, we have reviewed, among other things, the September 12-22, 2008 e-mail files of select Transferred Employees, former Lehman executives, to which the Estate has access. In that review we located certain purported employment agreements between some Transferred Employees and Barclays. Some of these are in draft form, others appear to be in final form although not fully executed.

7. These documents indicate that certain executives were to receive multi-million dollar compensation packages from Barclays, both for 2008 (during which they worked until September 22 for Lehman and, presumably, would work the remainder of the year for Barclays) and 2009 (during which they would work only for Barclays). These documents also indicate that several of these executives were to receive what Barclays termed "Special Cash" payments (also in the multi-million dollar range), about which we have little information. We have no confirmation that this will be their actual compensation for these periods.

8. In addition, we have looked into the question of how much, in the aggregate, Lehman's bonus pool was for 2008. As noted in LBHI's February 19, 2009 letter to Barclays (*see* Motion Ex. B), we estimated that the bonus pool for the Transferred Employees was approximately $700 million through August 2008. It is my understanding that this amount may need to be increased to include an equity portion of such bonuses. While we have insufficient information to determine with any degree of precision the total bonus pool for the Transferred Employees, it is estimated to be in the region of $700 million (or $1.2 billion if the equity portion is included) for the period from December 2007 to August 2008. These amounts are significantly less than the $2.0 billion figure for such potential liabilities listed in the financial schedule referred to in the APA (which figure, I am informed, was also used in proceedings before the Court to value the Sale Transaction).

9. Once again, we have incomplete data on this issue. These $700 million and $1.2 billion estimates were both obtained from a report derived from a compensation model used by LBHI to estimate the bonus amounts owing to the employees who

transferred to Barclays. LBHI continues to examine why there appears to be such a large disparity between these amounts and the $2.0 billion figure referred to in the financial schedule referenced in APA.

Dated: June 22, 2009
New York, New York

Rajesh Ankalkoti

RAJESH ANKALKOTI

Exhibit 14

From: Evans, Michael: HR (LDN)
Sent: Tue, 23 Sep 2008 13:15:33 GMT
To: Diamond, Bob: Barclays Capital; del Missier, Jerry: Barclays Capital (NYK); Jenkins, Roger: Structuring (LDN); Ricci, Rich: Barclays Capital
Subject: Summary of Current Spend - 08h30, 23 Sept 2008

Here is the update of our present bonus and related spend. The report now includes:

- A summary of changes since the previous version
- A high-level summary table of the status of the UK/Europe and Asia initiatives - information is limited at this stage but will be more robust as we receive detail around costs and commitments

Regards,

Michael

<<...>>

MOVANTS' TRIAL EXHIBIT
91

EXHIBIT
PENGAD 800-631-6989
2846
8/27/09

Summary of current spend position (all amounts in USDm)

No. of people[1]	$m	Day 1 - 2008 Cost			One-time Deferred Cash Award				2nd Yr GB
		Actual	Original Model[3]	Over-Spend[3]	2008	2009	2010	Total	2009
9	"Elite 8"[2]	141	117	24	13	40	18	71	0
393	Other GB proposals	721	607	114	44	132	59	234	111
402	Total	862	724	138	57	172	76	305	111
10,111	Non-guaranteed population								
(3,300)	Planned redundancies[1]								
6,798	**Residual pool available for non-GB people[1]**	538							
7,200	Total Pool Funding Available	1,400							

[1] Estimated, still moving and is net of an expected 3,300 redundancies expected to cost about $100m (not funded out of the 2008 bonus pool)

[2] "Elite 8" are actually 9 individuals: Donini, Humphrey, Lowitt, McDade, McGee, Nagpal, Gelband, Lee, Felder

[3] Estimated pool requirement for 75% of 2007 total compensation for original 175-200 population, plus residual population now guaranteed at 65% of 2007 bonus

Material changes since last update:

- Committed spend has increased by $3m, all in IBD, to $862m in total
- 2nd year GBs for 2009 increased by $35m in IBD, offset by a $12m reduction in the deferred cash award in IBD
- Assuming the one-time deferred cash award is amortised from date of award (assumed to be 1st October 2008) through to vesting date (50% in October 2009, and 50% in October 2010) then roughly $60m will need to be expensed in 2008

Other developments not reflected in the scorecard

- Private Investment Managers (PIM) – Deferred cash awards of up to $11.7m have been approved. This additional cost will not hit 2008. Further details are included in Attachment 2.
- IBD and Sales – Considering expanding GB population to include senior investment bankers and sales professionals in NY based on anecdotal evidence of "bid-aways" to other houses.
- Equities – Donini would like a further $25m to honour pre-deal Lehman guarantees

Current funding pressures

Three funding pressures currently exist that are putting pressure on the original bonus pool estimate of $1.4bn (assumed to exclude funding for deferred cash awards):

- The "take-on" population has increased by roughly 600+ people; originally expected to "take-on" 9,900 people (pre-redundancies), now expected to be 10,500+ (pre-redundancies)
- The original intention was to guarantee approximately 175 to 200 people; currently we are proposing to guarantee nearly 400 people, more than twice as many as anticipated
- Certain individuals have received "top-ups" on the original proposal to guarantee 75% of 2007 Total Compensation; impact is $138m as shown above

Sensitivity analysis – Impact on the residual population of current level of GB proposals

This considers the impact on the residual population that is not guaranteed (assumes 3,300 redundancies). Detailed analysis is shown in Attachment 3, but in summary:

- The target was to deliver 65% of 2007 Total Bonus
- The residual pool above yields roughly 50-55% of 2007 Total Bonus
- The "gap" to 65% delivery is now estimated at approximately $270m depending on guaranteed bonuses in the residual population and any other gross-ups and commitments that may exist.

Lastly, there is a population of people who received a zero bonus in 2007. If it assumed that these individuals will receive something in 2008[1], we would require an additional $75m to $100m in bonus pool assuming that this was not offset by other individuals (who received a bonus in 2007) receiving zero bonus in 2008.

Proportionate guaranteed bonuses to date relative to 2007 proportions

Attachment 4 shows further detailed analysis of actual guaranteed bonuses to date relative to 2007 proportionate bonus spend.

The main observations are noted here:

- 90% of the targeted guaranteed bonuses is directed towards Front Office roles
- The distribution of targeted guaranteed bonuses is skewed towards IBD and Equities with both businesses guaranteeing more than 50% of their 2007 total bonus pool value
- IBD represents 40% of the aggregate targeted guaranteed bonuses to date compared with 25% of the 2007 actual bonus pool

UK/Europe and Asia Update

Attachment 5 shows the current status of progress in UK/Europe and Asia. It is assumed that a £100m budget exists for these initiatives. Commitments so far are yet to be advised, but will be reported when available.

[1] Based on a simple average bonus of the area in which these individuals work

Lehman Brothers
Summary Report

Attachment 1 – Master Scorecard

Division	Data	Total
Corporate	Headcount	33
	Total 2008 Cash	$31,534,875
	Total 2008 EPP	$7,997,625
	Business Proposed Bonus Award	**$39,532,500**
	Barcap Bonus Pool (per Formula)	$39,963,750
	2009 Bonus Award	
	Special Cash Award	$18,448,500
	Pool Difference (based on current proposal)	-$431,250
EQ	Headcount	77
	Total 2008 Cash	$129,082,500
	Total 2008 EPP	$36,867,500
	Business Proposed Bonus Award	**$165,950,000**
	Barcap Bonus Pool (per Formula)	$132,807,500
	2009 Bonus Award	
	Special Cash Award	$57,093,750
	Pool Difference (based on current proposal)	$33,142,500
FID	Headcount	53
	Total 2008 Cash	$88,166,431
	Total 2008 EPP	$25,267,500
	Business Proposed Bonus Award	**$113,433,931**
	Barcap Bonus Pool (per Formula)	$95,424,907
	2009 Bonus Award	$3,475,000
	Special Cash Award	$43,468,335
	Pool Difference (based on current proposal)	$18,009,024
IBD	Headcount	192
	Total 2008 Cash	$279,770,723
	Total 2008 EPP	$78,561,975
	Business Proposed Bonus Award	**$358,332,699**
	Barcap Bonus Pool (per Formula)	$300,324,567
	2009 Bonus Award	$107,257,000
	Special Cash Award	$93,588,000
	Pool Difference (based on current proposal)	$58,008,132
IMD	Headcount	23
	Total 2008 Cash	$13,298,312
	Total 2008 EPP	$2,761,521
	Business Proposed Bonus Award	**$16,059,833**
	Barcap Bonus Pool (per Formula)	$11,489,247
	2009 Bonus Award	
	Special Cash Award	$7,256,255
	Pool Difference (based on current proposal)	$4,570,586
PS	Headcount	14
	Total 2008 Cash	$19,866,563
	Total 2008 EPP	$5,502,188
	Business Proposed Bonus Award	**$25,368,750**
	Barcap Bonus Pool (per Formula)	$23,102,500
	2009 Bonus Award	
	Special Cash Award	$11,838,750
	Pool Difference (based on current proposal)	$2,266,250
SRM	Headcount	1
	Total 2008 Cash	$2,478,750
	Total 2008 EPP	$746,250
	Business Proposed Bonus Award	**$3,225,000**
	Barcap Bonus Pool (per Formula)	$3,225,000
	2009 Bonus Award	
	Special Cash Award	$1,505,000
	Pool Difference (based on current proposal)	$0
Sr. Mgmt	Headcount	9
	Total 2008 Cash	$105,990,000
	Total 2008 EPP	$34,610,000
	Business Proposed Bonus Award	**$140,600,000**
	Barcap Bonus Pool (per Formula)	$117,400,000
	2009 Bonus Award	
	Special Cash Award	$71,375,000
	Pool Difference (based on current proposal)	$23,200,000
Total Headcount		402
Total Total 2008 Cash		$670,186,154
Total Total 2008 EPP		$192,314,559
Total Business Proposed Bonus Award		**$862,502,713**
Total Barcap Bonus Pool (per Formula)		$723,737,471
Total 2009 Bonus Award		$110,732,000
Total Special Cash Award		$304,573,590
Total Pool Difference (based on current proposal)		$138,765,242

Notes:
Snr Mgt 2008 Bonus = 80% of 2007 TC (Plus Deferred cash = 50% 07 TC as a special cash award)
Tier 1 2008 Bonus = 75% of 2007 TC (Plus Deferred cash = 35% 07 TC as special cash award)
Disc 2008 pool = 86% of 2007 pool is not included in the above

Attachment 2 – Deferred cash awards for PIMs

The following steps were approved with regards to various individuals in the PIM business to compete with market practice and give us the best chance to land these individuals and tie them in longer term. This cost will not hit 2008, but rather in 2010.

These individuals are currently operating on a commission basis for their compensation. Of this commission, up to 50% (depending on level) is deferred into RSUs related to Lehman stock. Currently, these RSU awards have no value.

We propose making deferred cash awards to these individuals that cliff-vest in 2 years. The deferred cash award would be equal to 50% of the original value of the RSU awards made to them in 2008. Thus, these individuals would suffer a 50% loss on the value of their 2008 awards, and any awards received prior to that have no value.

The RSUs awarded to this population in 2008 were $23.3m. Consequently, the maximum deferred cash award (payable in 2010) would be 50% of this i.e., $11.7m.

Attachment 3 – Analysis of Targeted Spend against $1.4bn Funding

				A	B	C	D=A-B-C	E	F=E-D
Business Area	**Business Unit**	**HC**	**07 Bonus**	**Proportionate Funding[1]**	**Targeted GB[2]**	**Other 2008 GBs[3]**	**Residual Funding[4]**	**65% of Residual 07 Bonus (post severances)[5]**	**Gap to 65%[6]**
Front	EQ	1,078	435.9	245.9	185.2	14.9	[redacted]	[redacted]	[redacted]
	FID	1,069	598.8	337.8	172.1	86.9	[redacted]	[redacted]	[redacted]
	IBD	1,245	620.7	350.1	359.8	15.3	[redacted]	[redacted]	[redacted]
	IMD	1,017	66.6	37.6	14.0	1.3	22.3	23.1	0.8
	PI	56	125.3	70.7	0.0	3.8	66.9	52.9	-13.9
	PS	346	94.8	53.5	25.4	4.2	23.9	26.4	2.5
Front Total		**4,811**	**1,942.0**	**1,095.5**	**756.5**	**126.5**	**212.5**	**477.9**	**265.4**
Corporate	CORP	2,553	349.2	197.0	64.3	18.6	114.1	124.8	10.7
	IT	2,491	148.6	83.8	16.2	5.1	62.6	56.9	-5.7
	OCS	1,094	25.3	14.3	5.1	1.1	8.1	8.8	0.7
	PI	1	16.8	9.5	0.0	0.0	9.5	7.4	-2.1
Corporate Total		**6,139**	**539.9**	**304.5**	**85.5**	**24.8**	**194.2**	**197.8**	**3.7**
Grand Total		**10,950**	**2,481.9**	**1,400.0**	**842.0**	**151.3**	**406.7**	**675.7**	**269.0**

Notes:

[1] Illustrative allocation of $1.4bn pool, split across business areas in same proportion as 07 actual spend

[2] Value of guarantees proposed to be awarded to employees on the target list

[3] Guarantees to employees who are not on the target list

[4] Remaining funding, by business, assuming proportionate allocation less 'Targeted' and 'Other' GBs.

[5] 65% of the comparative 07 actual bonus pool, relating to the non-targeted, non GB'd population (less estimated 3,300 proportional headcount reduction)

[6] Cost to match proposed bonus pool of 65% of 07 actual

<u>Observations</u>

- After deducting targeted spend to date and other guaranteed bonuses, there remains a residual pool of $400m from the proposed $1.4bn funding
- Severances of 3,300 are assumed in the above analysis, with the headcount and associated bonus savings assumed to be directly proportional to the current distribution
- Achieving a pool wide 08 bonus benchmark of 65% of 07 values would currently require an additional $270m
- Assuming funding is allocated in line with 07 spend, Equities, IBD and FID have spent proportionately more than the other business areas with significant gaps to the benchmark
- Within the population, there are approx 1,400 recent joiners (last 2 years) who did not receive a bonus in 2007. After assuming a proportion of severance, benchmarking these to an approximate 65% of 07 averages would cost an estimated additional $75m to 100m

Attachment 4 – Proportionate spend to date

Business Area	Business Unit	07 Bonus	Proportion of Total	Targeted GB	Proportion of Targeted GBs	Targeted GI as % of 07 P
Front	EQ	435.9	18%	185.2	22%	42%
	FID	598.8	24%	172.1	20%	29%
	IBD	620.7	25%	359.8	[redacted]	[redacted]
	IMD	66.6	3%	14.0	2%	21%
	PI	125.3	5%	0.0	0%	0%
	PS	94.8	4%	25.4	3%	27%
Front Total		**1,942.0**	**78%**	**756.5**	**90%**	**39%**
Corporate	CORP	349.2	14%	64.3	8%	18%
	IT	148.6	6%	16.2	2%	11%
	OCS	25.3	1%	5.1	1%	20%
	PI	16.8	1%	0.0	0%	0%
Corporate Total		**539.9**	**22%**	**85.5**	**10%**	**16%**
Grand Total		**2,481.9**	**100%**	**842.0**	**100%**	**34%**

Observations

- 90% of the targeted GB spend has been directed towards Front Office roles
- The distribution of targeted GBs is skewed towards IBD and Equities with IBD guaranteeing more than 50% of their 07 pool value
- IBD represents 43% of the targeted GBs relative to 25% of the 07 spend.

Attachment 5 – UK/Europe and Asia Update

Business	Description	Est. cost £m[2]
Global Markets, Sales and Research (UK/EU)	• Prime Services / Equity Finance - Team of 25 candidates. Leads - Iain Abrahams and Al Hodge. Interviews took place last week and will be looking to close quickly. Shefield Howarth search firm; terms agreed. Update - Gunner Burkhart key to this move so we are trying to engage and also to leverage JdM – there is a sense that this is moving away from us. • Prime Services / non Equity Finance - up to 170 candidates. Lead - Al Hodge. Update - progressing with targeted interviews. • Equities Sales - Leads - Nick Howard and Omar Selim. Omar to make contact with Axel Kilan to assess interest / scope. Update – Axel Killan does not appear to be interested. Considering contacting Emad Morar (Co-Head Equity Sales Europe) and Andrea Negri (Southern Europe). Also received list of 16 Cash Equities sales guys (US product) via Lehman HR indicating that we need to offer. To be discussed with Ajay Nagpal. • Equities Trading - Will be agreeing target names today/tomorrow. Update – received a list of 16 prop / algo traders across UK / Asia from Lehman HR. Dixit Joshi to discuss with Gerry Donini. Will then agree other target names. • Research - Leads are Waqas Samad and Sudeep Sarma. Team of 25. Will proceed today/tomorrow. Update – in progress. • Sales (non Equities) - Leads are Nick Howard and Omar Selim. Identifying key 10-15 hires for review by JdM and GSdB. Update – list is currently being reviewed by GSdB – will then be escalated to JdM for review. • Now progressing with a number of non-GB Lehman hires that were in progress prior to the bankruptcy.	TBA
IBD (UK/EU)	**Project Destiny** • Bob F / team - command centre established in the Hilton; this is where they will meet candidates. Bob and his colleagues have called all of the people that we targeted to call today - Tier 1 circa 15 MDs • General sentiment is that the Country guys (Italy, Germany, Benelux) responded far more positively to our approach and also talked about other people in their teams that they would like to line up to meet with us; Bob planning to go to Milan and Paris to meet them on Thursday. The sector people based in London seemed more cautious; were receptive to calls and keen to talk but seem to have options and were less immediately committed. • Bob and his team will be meeting these Tier 1 people over the next 2 days and mapping out the people within their teams that would form Tier 2. • JW's direct reports also have a number of people that they know, who have reached out to us - and they are meeting them today / tomorrow. (in parallel)	TBA
India	Exploring possibility of acquiring the off-shoring capabilities in India, circa 3,000 employees	£20-30m
Total Spend To Date		**TBA**
Budget		**£100m**

[2] Includes estimated salaries, GBs, sign-on/SBO, and recruitment costs expected to be incurred in 2008